



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

February 1, 2008

Christopher Ward, Treasurer  
San Diego Democratic Club-Federal  
P.O. Box 33050  
San Diego, CA 92163

**Response Due Date:**  
**March 3, 2008**

Identification Number: C00428516

Reference: Year End Report (7/1/07-12/31/07)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 8 items:

1. The totals listed on Lines 11(a)(i) and 11(a)(ii), Column B of the Detailed Summary Page appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. When an individual's aggregate exceeds the \$200 threshold, the amount should not be deducted from the Column B figure for Line 11(a)(ii). Please amend your report and any subsequent reports that may be affected by this correction.
2. Please clarify all expenditures made for "Reimburse Food and Refreshments for Fundraiser," "Food and Refreshments Catering," "Printing for Fundraising Event," "Fundraising Room and Catering," "Materials for Event," and "Fundraising: Banquet Refreshments" on Schedule B. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E, or F supporting Lines 23, 24, or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1
3. Please clarify all expenditures made for "Reimburse for Supplies for Festival Booth," "Deposit for Booth Rental," "Rental for Booth at

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Festival," and "Reimbursement for Festival Materials" on Schedule(s) B. If a portion or all of these expenditures were made for activity that promotes or opposes a Federal candidate, but does not qualify as exempt party activity, this amount should be disclosed on Schedule B or F supporting Lines 23 or 25. 11 CFR §§104.3(b), 104.17(a) and 106.1

4. Schedule B supporting Line 21(b) of your report discloses a payment(s) totaling \$7,159.71 for "Administrative/Salary/Overhead: Banners," "Advertising in Community Brochure," "Supplies for Publication Materials," and "Banners, Promotional Items." Expenditures and disbursements for public communications (as defined under 11 CFR §100.26) that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s).

Further, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate, rather than on Schedule B for Line 30(b). Please clarify if this activity meets the definition of Federal Election Activity or if it contains express advocacy and amend your report to properly disclose this activity, if necessary.

5. Schedule B of your report discloses reimbursements to individuals for "Reimbursement for Postage," "Administrative/Salary/Overhead: Postage," "Reimburse for Supplies for Festival Booth," "Fundraising: Banquet Refreshments," "Reimbursement for Festival Materials," "General Postage," "Reimbursement for Meeting Refreshments," "Business Cards," "Reimburse Food and Refreshments for Fundraiser," "Supplies for Publication Materials," "Membership Brochures," and "Fundraising Room and Catering." Please be advised that when itemizing reimbursements to individuals for goods or services, if the payment to the original vendor aggregates in excess of \$200 in a calendar year, a memo entry including the name and address of the original vendor, as well as the date, amount and purpose of the original purchase must be provided. Please amend your report to include the missing information and clearly identify on the Schedule B, which reimbursement each memo entry relates to. If itemization is not necessary, you must indicate so in an amendment to this

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report. 11 CFR §§104.3(b)(3)(i) and 104.9, and Advisory Opinions 1992-1 and 1996-20, footnote 3

6. Schedule B of your report discloses a reimbursement(s) to an individual(s) for apparent travel and subsistence advances in which the total amount reimbursed exceeds \$500. When the reimbursement amount to staff for travel and subsistence advances exceeds \$500, the payments by committee staff that make up the reimbursement may have to be itemized. For example, if the related payment(s) to any one vendor by the staff aggregates in excess of \$200 for the calendar year, the payment(s) must be itemized as a memo entry for that reimbursement. Each memo entry must include the complete name and address of the original vendor, as well as the date, amount and an adequate purpose. Please amend your report to include the missing information and clearly identify on the Schedule B, which reimbursement each memo entry relates to. If itemization is not necessary for a particular reimbursement to staff in excess of \$500, you must clarify this in an amendment to this report. 11 CFR §104.9 and Advisory Opinion 1996-20, footnote 3

7. Your report does not disclose any payments for salary or wages on Schedule B supporting Line 30(b) of the Detailed Summary Page. 11 CFR §100.24 defines as Federal Election Activity, services provided by an employee of a State, district or local party committee who spends more than 25 percent of their time during that month on activities in connection with a Federal election. You are advised that payments for salaries and wages for employees who spend more than 25 percent of their compensated time in a given month on Federal Election Activity or activities in connection with a Federal election must be made with Federal funds only. Please provide clarification regarding the lack of payments for salary and wages disclosed by your committee.

8. Your report discloses limited payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Any such payments to a person aggregating in excess of \$200 in a calendar year must be disclosed on Schedule(s) B supporting Line 21(b) of the Detailed Summary Page. 2 U.S.C. §434(b)(5) If these expenses are being paid by a connected organization, your Statement of Organization must be amended to reflect this relationship. 2 U.S.C. §433(b)(2) In addition, if expenses have been incurred but not paid in a reporting period, the activity should be disclosed as a debt on Schedule D, if the obligation is \$500 or more, or outstanding for sixty days or more. 11 CFR §104.11

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Clarification regarding administrative expenses should be disclosed during each two-year election cycle beginning with the first report filed in the non-election year. Please verify that all expenses referenced above (i.e., rent, salaries, utilities, etc.) have been adequately disclosed. If volunteers have provided these services, please confirm this in writing.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1143.

Jennifer Thangavelu

Jennifer Thangavelu  
Senior Campaign Finance Analyst  
Reports Analysis Division

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